

Internal Revenue Service

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Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:CORP:B06
PLR-104818-13
Date:

May 20, 2013

Legend

Corp 1 =

Newco 1 =

Newco 2 =

Date 1 =

State A =

Dear :

This letter responds to your January 29, 2013 request for a ruling on behalf of Corp 1. Additional information was submitted in a letter dated February 20, 2013. The material information submitted for consideration is summarized below.

Facts

Corp 1 is a publicly held corporation and is the common parent of the Corp 1 consolidated group. On Date 1, the Corp 1 consolidated group made a valid election to file a life-nonlife consolidated return pursuant to § 1504(c)(2)(A) of the Internal Revenue Code. This election currently remains valid.

The Corp 1 consolidated group includes life insurance companies which are eligible corporations within the meaning of Treas. Reg. § 1.1502-47(d)(12) and are taxed under § 801 of the Code ("Life Eligible Entities").

The Corp 1 consolidated group includes non-life insurance companies which are eligible corporations within the meaning of Treas. Reg. § 1.1502-47(d)(12) and are not taxed under § 801 of the Code ("Non-Life Eligible Entities").

The Corp 1 consolidated group includes non-life insurance companies which are ineligible corporations within the meaning of Treas. Reg. § 1.1502-47(d)(13) and are not taxed under § 801 of the Code ("Non-Life Ineligible Entities").

Prior to the proposed transaction mentioned below, Corp 1 formed Newco 1, a State A corporation. Newco 1 then formed Newco 2 a State A corporation.

Corp 1 merged under State A law with Newco 2, with Corp 1 surviving. Public shareholders of Corp 1 will receive Newco 1 stock in exchange for their Corp 1 stock (The "Proposed Transaction").

Representations

The following representation has been made with respect to the Proposed Transaction:

Substantially all of the assets of Corp 1 will remain within the Corp 1 consolidated group immediately following the Proposed Transaction. There is no plan or intention to distribute any of the business segments to the shareholders of Corp 1 as a distribution. There is no plan or intention to dispose of any of the business segments other than in a value-for-value exchange.

Rulings

Based solely on the information submitted and the representation set forth above, we rule as follows:

- (1) The Corp 1 consolidated group of which Corp 1 was the common parent immediately before the Proposed Transaction will remain in existence with Newco 1 as the common parent. The election to file a life-nonlife consolidated

return will remain in effect. Treas. Reg. §§ 1.1502-47(d)(12)(vi) and 1.1502-75(d)(2)(ii) and Rev. Rul. 82-152, 1982-2 C.B. 204.

- (2) The Non-Life Eligible Entities will remain eligible members of the Corp 1 consolidated group immediately after the Proposed Transaction. Treas. Reg. §1.1502-47(d)(12).
- (3) The Life Eligible entities will remain eligible members of the Corp 1 Consolidated group immediately after the Proposed Transaction. Treas. Reg. § 1.1502-47(d)(12).
- (4) The period for which the Non-life Ineligible Entities had been held by Corp 1 before the Proposed Transaction will be taken into account in determining whether it has been a member of the affiliated group throughout every day of the base period. Treas. Reg. § 1.1502-(47)(d)(12).
- (5) The basis to Newco 1 in the stock of Corp 1 (the former Corp 1 consolidated group parent), subsequent to the Proposed Transaction, will be determined in accordance with Treas. Reg. § 1.1502-31.
- (6) The earnings and profits ("E&P") of Newco 1, subsequent to the Proposed Transaction, will be determined in accordance with Treas. Reg. § 1.1502-33.

Caveats

No opinion is expressed about the tax treatment of the Proposed Transaction under other provisions of the Code and regulations or on the tax treatment of any conditions existing at the time of, or effects resulting from, the Proposed Transaction that are not specifically covered by the above rulings.

Procedural Statements

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) provides that It may not be used or cited as precedent.

A copy of this letter ruling must be attached to any income tax return to which it is relevant. Alternatively, any taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to the returns that provides the date and control number of this letter ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. This office has not verified any of the material submitted in support of the request for rulings. Verification of the information,

representations, and other data may be required as part of the audit process.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Mark S. Jennings

Mark S. Jennings
Branch Chief, Branch 1
Office of Associate Chief Counsel (Corporate)